



Department of Justice

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CONNECTICUT SUPPLIER OF ADVERTISING AND DISPLAY MATERIALS PLEADS GUILTY TO CONSPIRACY CHARGE

WASHINGTON, D.C. -- Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division, and Mary Jo White, United States Attorney for the Southern District of New York, today announced that a Fairfield, Connecticut supplier of advertising and display materials and services, was charged with and plead guilty to participating in a conspiracy to commit mail fraud from 1989 until 1996.

The information, filed in U.S. District Court in Manhattan, charges Mary Burke, owner of Burke Incorporated, with paying at least \$750,000 in kickbacks to executives and employees at Domecq Importers Inc. for contracts awarded for the production of promotional and display materials. During this time, Burke sent and received documents in connection to the kickbacks through the United States Postal Service.

Burke designed and sold point-of-purchase advertising and display materials for Domecq Importers, including hats, T-shirts, shot glasses, neon signs, and similar promotional items.

"The Antitrust Division is committed to prosecuting conduct that prevents free and open competition in any market," said Klein. "The defendant's behavior helped to corrupt executives and employees at Domecq Importers, undermine the company's competitive bidding process, and freeze out other legitimate competitors. As a result, the company was denied the benefits of competition."

Since 1994 Domecq Importers Inc. has been an American subsidiary of Allied Domecq P.L.C., the world's second-largest liquor company. Allied Domecq P.L.C. is based in London, and employs over 70,000 people worldwide. Domecq Importers Inc. imports and distributes numerous brands of liquor, including Sauza tequila, Presidente brandy, Courvoisier cognac, and Beefeater gin. Before 1994 Domecq Importers Inc. was privately owned by Pedro Domecq Mexico, Pedro Domecq Spain, and Michael Domecq. Gabriel Sagaz, formerly the vice president of marketing and later president of Domecq Importers, pleaded guilty in 1998. He has not yet been sentenced.

The prosecution of Burke is the latest to arise out of a joint investigation between the Antitrust Division's New York Field Office and the U.S. Attorney's Office for the Southern District of New York, with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation Division.

To date, 19 individuals and eight corporations have pleaded guilty to various federal charges as a result of the Department of Justice's ongoing antitrust investigation of bid-rigging, commercial bribery, and tax-related offenses in the advertising and display materials industry. Earlier prosecutions have involved personnel at Philip Morris, Inc. (New York City), Heublein, Inc. (Farmington, Connecticut), Hiram Walker & Sons, Inc. (Southfield, Michigan), Warner-Lambert Co. (Morris Plains, New Jersey), Austin Nichols & Co., Inc. (New York City), Lorillard Tobacco Co., Inc. (Greensboro, North Carolina).

Burke faces up to five years in prison, three years of supervised release, and a fine not to exceed the greatest of \$250,000 or twice the gross pecuniary gain or loss to the victim.

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Anyone with information concerning bid rigging, bribery, or fraud in the advertising and display materials industry should contact the New York Division of the FBI at (212) 384-1000.

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